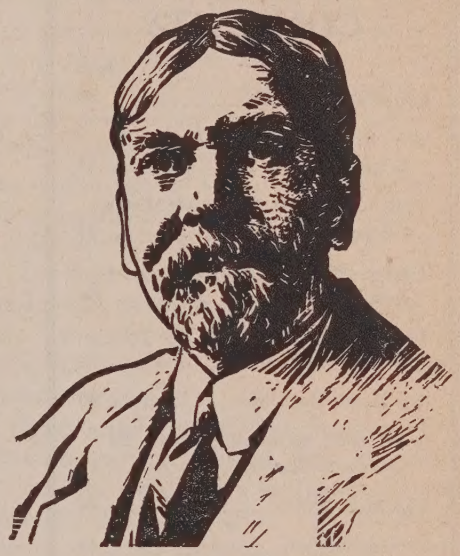
Vol. XVI
No. 2

THE WORLD TOMORROW



Veblen Comes Back

McALISTER COLEMAN

The Ignoble Surrender

JOHN HAYNES HOLMES

The Price Dilemma

H. N. BRAILSFORD

IS THE GOLD STANDARD SACRED?

Francis S. Kinder

JANUARY 11th

10 cents a copy, $3.00 a year

The World Tomorrow

Vol. XVI January 11, 1933 No. 2

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The World Tomorrow, Inc.

Published on Wednesday of each week at 52 Vanderbilt Ave., New York, N. Y.

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SUBSCRIPTION RATES: Single Copies, 10 cents; $3 per year; Canada, $3.50; foreign, $3.50. Orders for copies, subscriptions and all correspondence should be sent to THE WORLD TOMORROW, 52 Vanderbilt Ave., New York City. Entered as Second Class Matter, Sept. 30, 1926, at the Post Office of New York, under the act of March 3, 1879.

Ex Cathedra

ALL indications point to the possibility and even probability of some kind of inflationary movement in the next Congress. Democrats like Senator Harrison and Republicans like Senator McNary are beginning to agitate for inflation. The economists at their annual meeting over the holidays disagreed on the advisability of inflation. But what other ameliorative can be applied at the moment to the ailing system of capitalism? The only other possibility, a cancellation of a portion of all debts, is too bitter a pill. Inflation is a bitter pill as well, but not quite as bitter as cancellation. Rather than have banks go into insolvency by the wholesale through the continued downward force of deflation, which destroys the value of bank loans, it may be regarded as a certainty that even bankers will finally accept inflation, even though they have been insisting that such a policy will ruin the country. The bankers may be right for all of that. Inflation may ruin the country, but not before it gives the nation another respite of brief prosperity.

Lord Melchett has come forward with a plan for a "supreme economic council" for Britain, declaring that it is absurd to expect the House of Commons to deal effectively with the chaos of the present moment. Lord Melchett is one of the biggest capitalists of England, and his scheme is a fascist one. A supreme economic council is precisely the form which fascism will take in England and America, where the prestige of the financial class is greater than that of the military class.

Relief in New York City, if the disbursements of private and public agencies are combined, increased from 14 million dollars in 1930 to 79 million in 1932. In spite of this fact, the Emergency Work Relief Bureau can give "made-work" to only 16,000 of 50,000 applicants. Conditions in other cities are, on the whole, worse, rather than better, than in New York. How the resources of private charity contract with increasing need may be seen in a comparison of the results of the "Neediest Cases" propaganda carried on by the New York *Times* this Christmas with those of last year. In 1931, 11,400 people gave $300,000 to this fund, which took care of 452 cases. This year, with the need multiplied, 10,000 people contributed $50,000 less, and the money sufficed to care for only 390 cases. This is a small straw which shows how the wind blows.

IN politics ideas reflect interests. That does not mean that it is not possible to achieve a rational and even an ethical mastery over economic interest, but this is possible only if the power of the latter force is fully recognized. I offer this brief lesson in politics to the many correspondents who think that I am unduly cynical. Rationalists and idealists usually write and speak as if political ideas developed and moved in a vacuum. They are going to teach people the truth of this and that. They do not know that economic interests easily blind people so that they cannot see the truth of this and that. If intelligence alone would open people's eyes, the privileged classes ought to see that they are proportionately wealthier than ever before. But they don't. Even college professors fail to realize that when their salaries have been cut only ten per cent while prices have fallen fifty per cent, they have become comparatively wealthy. And if the professors don't see it, what can you expect of a banker? I am supposed to have disavowed "idealism" by calling attention to the blinding power of self-interest. Idealism, in our sentimental day, seems to have come to mean romantic illusions about the goodness of human nature. We might well take the confession of Paul the apostle a little more seriously: "There is a law in my members which wars against the law that is in my mind."

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THE WORLD TOMORROW

Vol. XVI January 11, 1933 No. 2

Official Social Scientists

For three years a committee of social scientists has been gathering data on social trends in America at the direction of President Hoover. The data they have gathered will be published in 13 volumes, and two volumes will be required to state the general analyses and conclusions of the committee. The committee was an eminent one: Professor Wesley Mitchell was its chairman, and there were such well-known scientists as Charles Merriam, Alice Hamilton, Howard Odum and William Ogburn in its membership.

For years we have been hearing that all that the world requires is that the social sciences shall solve the problems which the physical sciences have created. In the light of these great expectations for the function of social science how much light and leading may we expect from this report of the eminent social scientists? The answer is, not very much. The committee has called attention to significant social trends and social problems in our national life. But its conclusions are equivocal and ambiguous. It has told us on the whole what we already know. It has stated the problems clearly but it has been inhibited from offering cures by its official status and by the spirit of tentativity which scientists regard as a necessary virtue of the scientific enterprise. One has a feeling that the learned men tried at times to go as far beyond the official creed of "rugged individualism" as they possibly could without outraging the mind and conscience of the great engineer who appointed them. But in going beyond that creed, they always manage to pay some lip service to it.

The report declares "that a change in the distribution of income which would put more purchasing power in the hands of wage earners" would help to solve the problem of unemployment, but it also comes to the conclusion that there is little prospect of "a rapid increase of wage disbursements above the 1929 level." It does not say that the system of private ownership is a contracting economy which is bound to reduce wage levels rather than raise them. The whole report stays within the limits of the private property system but comes to the conclusion that there is no way out through that system—a conclusion implied rather than stated. "The effective limit upon production," it declares "is what the markets will absorb at *profitable prices*"; and it then asks the question, "How can larger sums be paid out in wages and dividends?" Why in dividends, when the committee has previously insisted on the necessity of a change in the distribution of income? With the same ambiguity the committee suggests that the hiatus between "the credit needed by business and the volume supplied by banks," between the "investment in different industries and the need of industrial equipment," is due to the fact that no statistical service has yet been perfected which will lead to a coördination of these various aspects of production. Not a word here about the fact that we have too much money for production because we have inordinate profits which must be reinvested.

The committee comes out in favor of social insurance, particularly unemployment insurance; but its conclusions on this point are pessimistic indeed. Its position seems to be that the present social system is bound to lead to technological unemployment, and, since it envisages no basic change in the system, it is naturally forced to conclude that capitalistic society must somehow keep its unused slaves alive.

In regard to the possibilities of changing our economic system, the committee believes that we must have more social control "without a surrender of our belief in the merits of private property." It assures us that "we continue to exercise individual initiative, but the initiative . . . affects others more intimately and therefore is subject to more social control." How is this control to be established? The committee seems to feel that the confused incursions of government into business (farm board, finance corporation, etc.) represent the ideal of scientific experimentation and scientific tentativity. "The hybrid nature of some of these creations may be the despair of those theorists, both radical and conservative, who see the world only in terms of the acceptance of one or the other of two exclusive dogmas." The committee does not say that the present confusion in the application of the principle of social control is due to the fact that control is attempted when it is in the interest of the dominant classes and that it is disavowed when such control would be in the interest of the farmer or the worker.

The committee finally envisages the creation of a National Advisory Council, "including scientific, educational, governmental, industrial, agricultural and labor contacts" which would "consider" some of the "fundamental problems of the social order." The newspapers have hailed this recommendation as a suggestion on national planning. But the committee does not say how the decisions of such a council could be made effective in law nor does it suggest how such a council could ever resolve the incompatible interests

which would without doubt be represented in its membership.

This final recommendation of the committee is, in other words, a perfect example of the social scientists' blindness to the fact that governmental policies express economic interests, and that a conflict of economic interests is not resolved merely by conferences of experts. "The committee does not wish to exaggerate the role of intelligence in social direction," the report declares. But that is exactly what the committee does. It does so partly because the committee is composed of scientists who are inclined to overestimate the power of reason over economic self-interest and partly because it is a commission which is inhibited by its semi-official status from telling the dominant groups in the present social order that their special interests prevent society from achieving sanity in its organization.

Japan Blocks Russian Pact

Soviet Russia's determined drive to establish pacific relations at every danger spot—Poland, France, China, even Rumania though that effort was broken down by the reactionaries at Bucharest—appears to have met with a set-back from the Japanese. At any rate, Walter Duranty, one of the best correspondents now in the trade, cables from Moscow to the New York *Times* that the Japanese have refused to sign a pact of non-aggression with the U.S.S.R. Mr. Duranty states frankly that he is not able to obtain official confirmation of this outcome of the recent negotiations, but asserts that he is "sure" it is true. Everything seems to bear him out. The stress between the two countries which was so acute last summer as to threaten imminent war, which led to frantic preparation by Russia in eastern Siberia and aroused the world's radicals to protest against Japan's apparent warlike purpose, gradually abated as the fall came on. The Soviets even obligingly gave Japan the right to transfer troops over portions of Russian territory the better to facilitate their buccaneering raids on inner Manchuria; while in anticipation of this little courtesy, the Japanese made arrangements to purchase Soviet oil. In the normal course of these affectionate developments, a non-aggression pact would seem only the natural next step.

But in neither country does anything but stark realism dictate policies and programs. Events occurred which made Japan reluctant to put her name to any further treaties suggestive of peaceable intent. Mr. Duranty suggests that she has become firmly assured that she need fear nothing from the League of Nations over her Manchurian adventure; though the Lytton Report points straight toward drastic action, neither France nor England is likely to let pleasurable extravagances in altruism interfere with business—and though Mr. Duranty is not indiscreet enough to mention it, we have no hesitation in declaring that both in France and Britain the armament sales resulting from the Chinese-Japanese conflict have been highly lucrative. Another inharmonious note in the situation was struck, says Mr. Duranty, when Japan's invitation to the Soviet government to recognize Manchukuo first and arrange a pact afterward, evoked only a negative response. And certainly, though the *Times's* able correspondent does not mention it, perhaps the greatest factor of all was the recent non-aggression pact signed between the Soviets and China, which was regarded by the Chinese themselves and observers at Geneva as a triumph of diplomacy on the one hand and, on the other, a vigorous dig in Japanese ribs. It seems hardly creditable that Japan, which has certainly given no evidence of being hampered in her wishes by so trivial a matter as a treaty, and which is plowing on inside the Chinese wall, would object to signing another pact merely because it might later on increase the need for alibis. She has made up her mind, apparently, that Russia cannot be friendly to China without, at bottom, being inimical to Nippon.

Nicaragua—End of a Chapter

In every group of American citizens except the confirmed imperialists there will be rejoicing over the withdrawal of our marines from Nicaragua. With all of its sins, the Hoover Administration will go down in the records as having accomplished in this respect a most worthy change. And everyone will hope that Nicaragua, freed from this outside control and interference, will be able to manage its own affairs democratically, without military dictatorship, and in a manner least likely to cause excuses for further interventionist propaganda. It is safe to say that in the event of new outbreaks in that harassed country, not the experience of our intervention but the natives themselves will be blamed; and anti-imperialists may as well be prepared in advance for the argument, sure to be raised at the first sign of trouble, that we must send the marines back because the Nicaraguans cannot govern by themselves. It is almost certain, we fear, that the press of the United States will magnify any new upheavals that occur, no matter of how minor a nature, and will totally overlook the record of almost continuous guerilla warfare, the occasional bombings, and the constant tyranny, of our occupation.

One reason for this skeptical fear of press propaganda is the all but universal misrepresentation indulged in by the newspapers, aided and abetted, it must be noted, by the State Department, regarding the history of this adventure. If a reader had no memory capable of going back farther than a year, he would be inclined to think that we were invited into Nicaragua in the first place by a government of Liberals unable to maintain order; that we charitably intervened only out of altruism; and that every element of

stability shown in the Central American republic since our presence has been due to the poise and judicial helpfulness of our alien influence. No one would ever believe that we intervened—if our earlier meddling be discounted—six years ago to defend a puppet president whose chief interest was in serving the United States investors in the country against the majority under the Liberals; that we put these Liberals down by sheer military force; that we used the excuse of their loyalty to the cause of Mexico, with whom we were then at odds; that we "negotiated" a peace by appealing to the basest self-seeking of the Moncada faction, which we set up as our favored regime; that we carried on a warfare against the rebellious Sandinistas, whom we falsely labelled "bandits," almost as ruthless as our notorious campaign against the Filipinos a quarter of a century before. If our rôle has seemed less brutal and selfish in the last two or three years, that is only because a general despair of freedom settled over the population, which, the Sandinistas excepted, reconciled itself ruefully to the situation.

It has been a story of dishonor, one of the black sections of our national career. We are well rid of it, if indeed we can ever feel sure that we are out for good. But it will be prudent to be on guard; for at the first sign of the natural readjustment-pains within the territory which we have so long oppressed, cries will rise to Washington for a renewal of our mailed-fist program.

So This Is Treason!

An editor of Wall Street has recently excoriated President Green of the American Federation of Labor because of the latter's utterances concerning the 30-hour week with no reduction in pay. The *Financial Chronicle* speaks of Mr. Green's words as "bordering closely on treason . . . if the country is ever to get out of the trough of depression in which it is now floundering it is necessary that union labor shall adopt a reasonable instead of a treasonable attitude." The Federation spokesman is referred to as "a firebrand who should be speedily squelched. Unless checked, he may lead some of his followers to commit acts of violence and crime."

This denunciation should be considered in the light of the facts as to the trend of wages and dividends which were presented in our issue of December 28, to the effect that the total amount paid out in wages by manufacturing establishments in the United States in September, 1932, was only 38 per cent as much as the average for 1926, whereas the total interest and dividend payments by American corporations was 55 per cent higher in 1932 than in 1926. The unjust proportion of the national revenue which goes to owners and investors is a primary cause of the prevailing financial debacle, and there will be no economic health in us until the workers receive a far more equitable percentage of the national income. Nevertheless, while 12 millions are unemployed, and a vast surplus of investors' capital is lying idle, the plea for shorter hours without reductions in pay is characterized as treasonable!

Inefficient or Dishonest—or Both

Advocates of the capitalist system should be isolated for a period of 24 hours with nothing to read except the last annual report of the Comptroller of Currency of the United States. Persons who have long boasted of the marvelous efficiency and sterling uprightness of modern financiers, and who have justified the rich prizes bestowed upon bankers on the ground of service rendered to the public, should be called upon for an explanation of the astounding number of bank failures in this country.

In the 11-year period beginning in 1921 and continuing through October, 1932, there were 10,484 bank suspensions within the United States, with total deposits of $4,882,481,000. The significance of these figures will be more clearly revealed by the reminder that in 1900 there were only 10,382 banks in the United States, while as late as 1920 the total was only 30,139. That is to say, in 11 years there have been approximately one-third as many bank failures as the total number of banks in existence at the beginning of the period under consideration. In view of the inescapable evidence, it is impossible longer to maintain the thesis that American bankers as a class are both efficient and honest. Banking for private profit is becoming too expensive a luxury even for the most prosperous of nations. We challenge the reader, after a careful perusal of the following table, taken from the *Financial Chronicle,* to reach any conclusion other than that socialized banking is urgently needed in this country:

BANK SUSPENSIONS BY YEARS, PERIOD 1921 THROUGH OCTOBER 1932, NUMBER OF SUSPENSIONS AND DEPOSIT LIABILITIES OF SUSPENDED BANKS, CLASSIFIED ACCORDING TO NATIONAL BANKS AND STATE AND PRIVATE BANKS (BANKS CLOSED TO PUBLIC ON ACCOUNT OF FINANCIAL DIFFICULTIES BY ORDER OF SUPERVISORY AUTHORITIES OR DIRECTORS OF THE BANK).

Year.	Number of Bank Suspensions.			Deposits of Suspended Banks (In Thousands of Dollars).		
	Total.	National Banks.	State and Private Banks.	Total.	National Banks.	State and Private Banks.
1921.....	501	51	450	196,460	21,285	175,175
1922.....	354	45	309	110,721	19,092	91,629
1923.....	648	90	558	188,701	32,904	155,797
1924.....	776	122	654	213,338	60,889	152,449
1925.....	612	118	494	172,900	58,537	114,363
1926.....	956	125	831	272,488	47,866	224,622
1927.....	662	91	571	193,891	46,581	147,310
1928.....	491	57	434	138,642	31,619	107,023
1929.....	642	64	578	234,532	37,007	197,525
1930.....	1,345	161	1,184	864,715	173,290	691,425
1931.....	2,298	409	1,889	1,691,510	439,171	1,252,339
1932*.....	1,199	238	961	604,583	175,616	428,967
	10,484	1,571	8,913	4,882,481	1,143,857	3,738,624

* For 10 months of 1932, January through October. Figures for latest months of 1932 as to deposits are preliminary.

Cruelty in High Places

Emsen Charr served in the United States army during the World War, but the immigration authorities at San Francisco have just ordered the deportation of his wife. Mr. Charr is a native of Korea, who interrupted his studies at Park College to enlist in the United States medical corps. In 1926 the future Mrs. Charr came to this country from Korea to enter the University of Dubuque, and in 1928 the wedding took place. Since that time they have been residing in San Francisco, and two children have been born. Now it has been ruled that since Mrs. Charr is no longer a student she cannot remain in America, and her deportation has been ordered. Her husband is entitled to continued residence in this country, although not to citizenship, because of his status as a military veteran.

Here is the case of a man who was permitted to fight for his adopted country, but whose wife is now to be driven from our shores! Here is another instance of the cruelty often imposed by our immigration policy. And here is a text for a hortatory plea that the American people remember the significance of our Oriental exclusion act. Years have passed, but the Japanese people and other Orientals still harbor deep resentment on account of this insult. Common decency and international friendship alike demand its repeal and the placing of Orientals on a quota basis, along with all other aliens.

A Great Socialist Passes

With the recent death of Eduard Bernstein at the age of 82, one of the great figures of world socialism left the stage. Bernstein, the son of a locomotive engineer, was born in Berlin. When he was 22 years old, he joined the Social Democratic Party and soon afterwards took a position on the Socialist paper, *Die Zukunft*. In 1872 he was exiled from Germany under the Anti-Socialist Act, which made his homeland intolerable for him; but from the other side of the Swiss border for many years he continued his propaganda in Germany, editing the Swiss edition of the *Social Democrat,* which despite prohibitions was smuggled into Germany and distributed by thousands of copies. In 1888, however, the Swiss authorities yielded to Bismarck's official pressure, and Bernstein had to take flight to England. Here he became acquainted with Friedrich Engels, studied Fabian Socialism, and began to formulate a critical program of thought with regard to Marxian ideology. By correspondence and by his book, *Voraussetzungen des Socialismus,* published in 1898, he created a tremendous stir in German Socialist ranks. Eventually he became recognized as the mouthpiece of a school of revisionist socialism.

Bernstein declared that Marx had underestimated the recuperative powers of capitalism, and that its collapse was not imminent. Nor had the sharp division of the classes predicted in the *Communist Manifesto* taken place in actuality. Bernstein denied, too, that industry and wealth were being steadily concentrated into fewer and fewer hands. He criticized the utility of violence, stressing instead parliamentarism and a concentration on next steps. This view led him, for a time, into keen controversies with Kautsky and other prominent leaders of the Social Democracy.

There can be no doubt that Bernstein's efforts to give Marx's teachings a corrective—he did not run squarely counter to any of them—performed a useful service. It is equally true, however, that the events of the past few years have made some of Marx's contentions stand out as better warranted than the pure parliamentarism of Bernstein. The latter had based his critique too much, perhaps, upon the easy-going democracy of Saxon and Bavarian life, and depended too much on statistical analyses as contrasted with historical perspective. But he will go down into the records as one of the world's greatest Socialists; for when the World War came, he refused to compromise his internationalism. He became a leader of the Independent Socialist Party, which opposed giving any aid to the War, and along with Kautsky, Liebknecht, Luxemburg, Haase, and Ledebour fought against war legislation, devoting himself to every practicable effort for peace.

Agriculture in Distress

Those who live along the Atlantic seaboard have little idea of the truly terrible plight of the farmers in the grain belt. A few statistics may, however, make their difficulties more clear. In 1929 the gross income which they received for their crops was something over 12 billion dollars, from which, after paying all charges, there remained about six billions in net income. In the year which has just passed the gross income has fallen by a little more than 50 percent, to a total of something under six billions. But due to the relative inflexibility of interest charges, taxes, and other items, the net income of the farmers has fallen by approximately three-fourths, to a total of not more than one and one-half billions. Since there are about six million independent farmers in the country, this means that the average yearly cash income of these families during 1932 has not exceeded $250, or approximately $5 per week.

Under these circumstances, the East cannot complain if the farmers turn to the domestic allotment plan or to any other device which will increase their income. There is also a distinct point to their demands that the domestic debt burden be scaled down. For they are now compelled to give up twice as many bushels of wheat and corn and pounds of cotton and tobacco for a given amount of debt as a few years ago. Unless the prices of farm products are raised appreciably or the mortgage debt is greatly scaled down, the

Middle Western and Southern farm families will be reduced to the level of the North European peasantry. This is certainly a sardonic conclusion to the hopes of the pioneers who staked out the Middle West in the belief that it would be a perpetual source of plenty for their descendants.

A Managed Currency and Revival

As the depression moves well into its fourth year, it is apparent that capitalism has involved itself in the most vicious deadlock of its history. On the one hand, there are tens of millions of people who are hungry for more food, clothing, shelter, etc., while on the other there are empty factories and workshops which fairly cry aloud for use. But because there is no profit in producing for the needs of the wholly and partially unemployed, industry lies idle, with all of its great potentialities unused. The attempt by the Hoover administration to build up bank reserves, through loans by the R. F. C. and the wholesale open-market purchase of government bonds by the Federal Reserve Banks, has failed to produce the hoped for stimulation of loans. For in a period of breakdown, business men are reluctant to borrow and banks are loath to lend. The cash piles up in the bank reserves and virtually no stimulation is given to business.

It seems to be the general consensus of opinion among virtually all dispassionate economists that if capitalism is to save itself it must adopt some type of a managed credit and currency system which will help to break the deadlock. If additional monetary purchasing power were created by the government and were used to finance relief more adequately and to carry out a program of slum clearance and the elimination of grade crossings, not only would more men be put back to work but the increased purchasing power of these workers would still further reduce the volume of unemployment in other lines. There would then be a general upward movement of business, and, as prosperity began to return, governmental expenditures could be reduced, tax receipts would naturally increase and the bonds or money issued during the period of the depression would be largely retired from the surplus of receipts over expenditures. Unless some such controlled system is introduced, capitalism seems to be doomed within the next quarter- or half-century. With it, however, our present order could probably endure for some time longer.

But it is ironically amusing that the very groups whose ultimate stability would be promoted by such a policy, namely, the bankers and big industrialists, almost unanimously oppose it in the belief that sound finance requires that the governmental budget should be balanced in each and every year and that the expansion of purchasing power should only occur within the banking structure, where the banks could get the interest. Capitalism seems therefore to be slowly cutting its own throat through the stupidity of its beneficiaries and defenders, who as usual are its worst enemies.

The Change Among the Economists

The temper of the meetings of the American Economic Association and allied societies, held in Cincinnati during the holidays, was far different from that which prevailed 25 years ago. Then most economists subscribed to a rather rigid theory of laissez-faire which precluded social reform on the ground that it interfered with and would be overthrown by the inevitable workings of economic law. It was significant, therefore, that a paper at the current sessions which opposed compulsory unemployment insurance in this spirit was greeted with very emphatic disagreement by the overwhelming mass of the delegates. The economists of today have come with few exceptions to believe both in the possibility and the desirability of social control in the interests of the public and they are perhaps more keenly cognizant of the breakdown of capitalism than any other class. It is surely an earnest of future shifts in public policy that in the span of a quarter-century the experts have so altered their position.

Always Sell, Never Buy!

We see by the papers that the State of New York has granted a charter to the Citizens' Association for America First, Incorporated. The announced purpose of this body is "the organization of citizens in every State under a pledge to buy only goods manufactured in the United States." And also to encourage Americans to invest only in American securities, and to combat the menace of "internationalism."

On Christmas day William Randolph Hearst addressed an important open communication to the editors of his various newspapers, outlining 10 projects for which they are to "please campaign vigorously." First on the list is this: "Buy American and spend American. See America first. Keep American money in America and provide employment for American citizens." Responding to his master's voice, the editor of the San Francisco *Examiner* on December 26 ran a headline across the entire editorial page: "BUY AMERICAN PRODUCTS ONLY AND BRING YOUR COUNTRY PROSPERITY FIRST." And from the half-page editorial the following exhortation is taken:

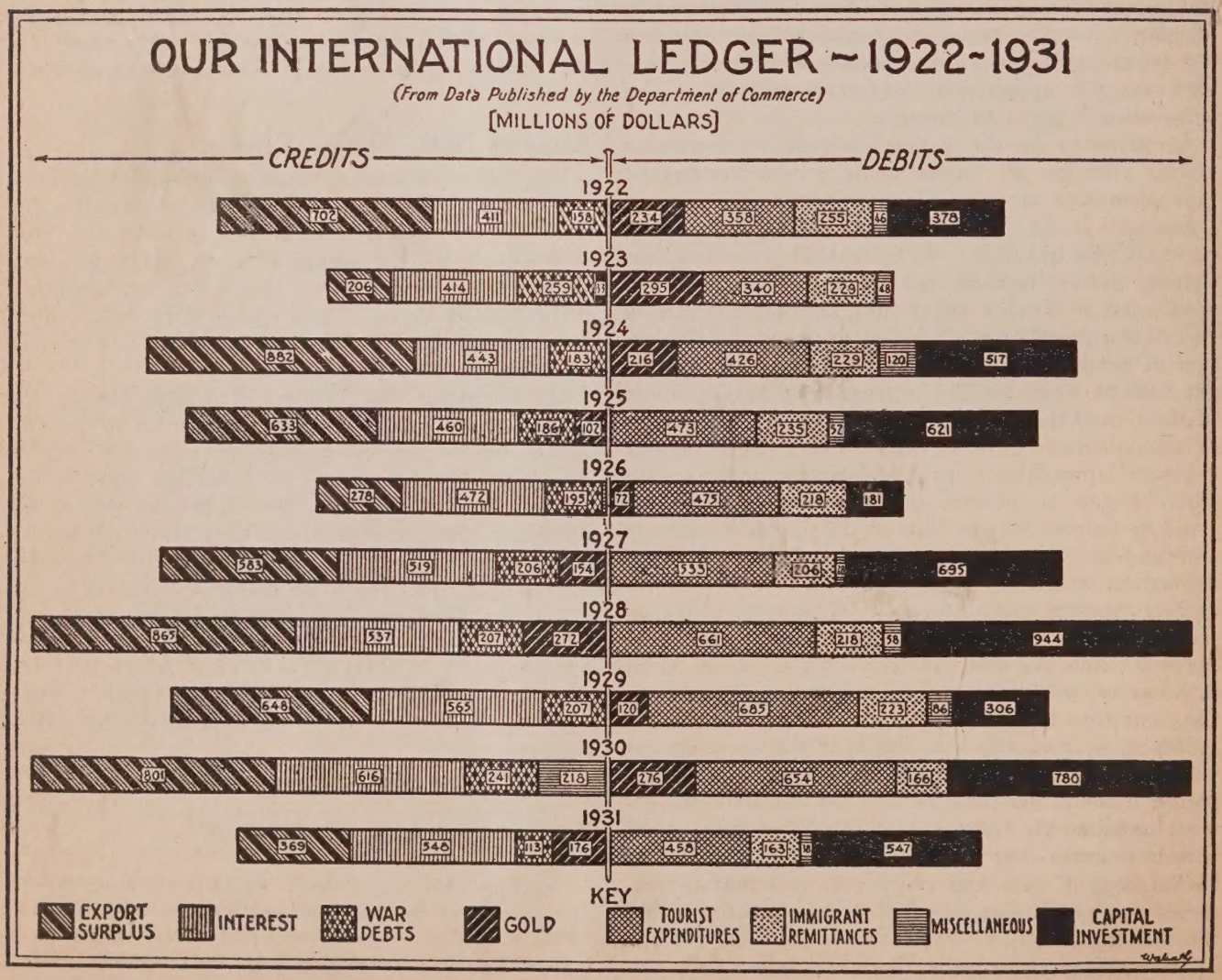
> ARE YOU A GOOD AMERICAN? . . .
>
> If you are worthy of your birthright and your citizenship, you will recognize that a patriotic duty rests upon you—a plain and pressing duty.
>
> AMERICANS MUST BUY AMERICAN GOODS,—the products of American labor and American capital,—TO THE EXCLUSION of any other goods, of any other products, of any other services, of any other labor,—whatever part

of the world they proceed from and at whatever price they are offered.

"BUY AMERICAN" must become A NATIONAL SLOGAN. It must be accepted as a patriotic duty by all loyal Americans, rich and poor, old and young.

If this is sound Americanism, then it follows logically that patriotic Frenchmen should buy only French goods, Italians should consume only Italian commodities, and so on through the list of nations. The natural outcome of universalizing this policy would be the cessation of all foreign trade and the scrapping of the world's merchant marine. But it is obvious that the patrioteers who are urging their fellow citizens to buy American goods only, do not desire to have other nations follow their advice. Indeed, the second point in Mr. Hearst's list runs thus: "Encourage Pan-American reciprocity, consuming Pan-American raw materials and opening the markets of North and South America to our manufactured products, while providing work for our unemployed." And third—believe it or not: "Develop our merchant marine to serve our trade in times of peace and supplement our navy in time of war. The building and manning of ships makes jobs for the jobless." Number five reads: "Encourage our railroads to make transcontinental extensions and transcontinental combinations and to cooperate with steamship lines to connect our industry with world markets. The more industry the more employment and the more employment the more prosperity."

That is, we must always sell to foreigners, and never buy from them! To this idiotic jibbering does chauvinistic nationalism lead its passionate devotees! Apparently it has never dawned upon these isolationists and exclusionists that buying is as essential to trade as selling, and that exports can be continued only by a corresponding flow of imports in one form or another. To all readers who desire to understand more clearly the significance of international trade, we commend the chart below:



From the New York Times, Dec. 18, 1932

as Brailsford sees it

The Price Dilemma

MR. Hoover's message to Congress on the question of the debts fills the day's papers as I write. It opens no new vistas, but it does none the less deserve our thanks, if only for its calm and good temper. Emotion will not help us in this difficulty. That statesman will deserve best of the world who helps it to realise that this incidental business of adjusting our war debts has really forced us to face the need for a plan in the world's economic structure. It is rarely congenial to politicians on either side of the Atlantic to face these large issues. They will hunt in this emergency for compromises and formulas that will conceal the magnitude of the problem that has overtaken them. It is the function of Socialists to defeat this instinct of obscurity.

The British government has been driven, rather against its will, to take its stand on the double-edged issue of the price level. It emphasised in its well-reasoned note that the purchasing power of gold has doubled since its debt was contracted. It borrowed goods from the United States during the War. In goods, ultimately, even if it be by some indirect process of triangular trade, it must pay back its debt. But thanks to the fall of the price level, it must pay back double the quantity of goods that it borrowed. This argument concerns the principal only: it would be more formidable still if one were to take account of the interest also. The case is still serious if one reckons not from the date when the debt was first contracted, but from the year when it was funded. The dollar has risen since 1923 by about 54 per cent in value. Statisticians have been at pains to work out tables which show the varying degrees in which debts have swollen according as they were incurred before the War, during its course, or between 1921 and 1929. The effect of the slump is obvious in every case, though in wildly various degrees. Nor is this the whole story. It would be reasonable to prepare two tables, one based on the industrial and the other on the agricultural price level. They have diverged very widely. A debtor country, like India or Australia or Rumania, which bought machinery in a boom and must pay for it with wheat in the slump is in an even worse case than England or Germany.

A debtor government in England's case was slow to use this argument because it is also a creditor. Ireland and India can turn these plausible paragraphs, addressed with much cogency to Washington, with deadly effect against London. But the argument cannot be confined to international debts. It is a charge of dynamite which shatters the entire fabric of obligation on which our post-War capitalist society rests. We raised our internal war debt at this same inflated price level. If the British government expects American creditors to cancel or scale down their claims, with what show of reason can it require its own taxpayers to reimburse their neighbors on the same fantastic scale. It is true that our departure from the gold standard has eased our burden somewhat, and so has the conversion of a portion of the debt. But even with these allowances it is still by many billions too high. The same reasoning applies to every fixed interest payment—bonds of all kinds, debentures, and mortgages; and in another category, i. e. rents, multitudes of our farmers who had previously rented their land were compelled to buy it at the inflated War or post-War values, and are now loaded with mortgages which have become explosively unjust. This is, indeed, the whole world's case and it varies only in degree whether you study it among the farmers of the Middle West or the peasants of Eastern Europe. Men's minds move very slowly among these puzzles. The habit of thinking that dollars and pounds have a fixed value can survive long years of illuminating experience. But at last, when debtor governments give the lead, debtor taxpayers and farmers and even shareholders will follow.

THERE have been, since first the slump fell upon us, two ways of escape theoretically open from this confusion. The healthier and also the easier would have been "reflation," a planned, deliberate return to the price-level of 1928 or 1929. If our rulers, American and European, had possessed any instinct for government, any creative economic vision, they would have met together in the first months of 1930 and worked out in concert a technique to achieve this end. Washington, London and Paris could have done it. There is nothing ideal or sacred about the price level of 1928. It was excessively favorable to creditors who held claims dating from the War or the early post-War years. It was not equitable to the farmer.

But we had grown used to these injustices: the world could just jog along on this basis. No one, however, thought of any comprehensive action. Politicians in their usual fatalistic lazy way supposed that by some automatic magic the crisis would cure itself. Nothing was done save to declare a year's moratorium for intergovernmental debts, and to stave off German bankruptcy. The experts were divided. For while the more liberal school urged reflation, the Tories, led by the Bank of England, urged the contrary expedient of deflation. Costs, they told us, must come down to the new price level, including, above all, wages. They did come down, especially wages, but as fast as they fell, the price level itself went on falling.

AT last, after nearly three years of slump, the British government proposed a world economic conference. Whether, and if so when, it will ever meet is still uncertain; if it meets, one guesses that, on the model of the Disarmament Conference, after ten months of futile sittings it will invent a meaningless formula to conceal its hopeless disagreement. The British and American governments both wish to "reflate", but cannot agree about gold: the French and Americans agree about gold, but differ over everything else. It is not a cheerful outlook. One asks: "Is not this remedy of 'reflation' already out of date?" Industry, however, painfully is adapting itself to the new level. Wages have come down. If we could next year raise prices, wages would lag far behind, and only after months of injustice and struggle would they begin to rise again. Till they rise the world market would not be able to absorb the higher-priced goods.

Failing action of this kind, on which it is improbable that the world can agree, it must content itself with continued deflation. That means, till the fall of prices is arrested, hopeless depression, mass bankruptcy, colossal unemployment and the risk of revolutionary upheaval. It does, however, bring down some of the costs to the new level—wages, salaries, raw materials and transport. It leaves, however, untouched and relatively increased every fixed contractual burden—debts, mortgages, debentures, rents if fixed before the slump, and taxation in so far as it must meet debt. For all this the orthodox deflationists have no remedy save the voluntary conversion of debt, which is practicable only partially, and only then while the depression endures. The broad effect of the process is to fasten on the active, working part of the community a tribute to the passive owning part of society that is swollen beyond endurance and the capacity to pay. War debts are a very small part of this total burden. It is a dangerous delusion to suppose that we shall all be able to stand erect and breathe freely when that incubus is removed. My own rough reckoning is that this total tribute of fixed interest charges, which ate up before the slump about one-fourth of the national income of Great Britain, now devours rather more than a third of it.

If we must continue to deflate, a remedy must be sought by the scaling-down of all these charges by legislative action. The most direct and simple way would be to draw up a schedule, according to which both principle and interest of all fixed contractual obligations would be scaled down by a certain percentage, varying with the price level that prevailed when they were incurred. One knows the innumerable difficulties. It could not be done without hardship and injustice. One realises that the typical banker and the politician who is his tool would rather go to the stake than consent to it. It is not a Socialist remedy. Rather it is a means of making capitalism tolerable, usury endurable. But unless it be done, the alternative, at varying dates and in various ways in different lands, is assuredly revolution.

H. N. Brailsford

London, December 20, 1932.

The Dictator

—From a drawing by Albert Daenens

Veblen Comes Back

McALISTER COLEMAN

THORSTEIN VEBLEN, dark-bearded ironist, would give a sidelong glance at the group around the luncheon-table and then in a thin, small voice, would make some shrewd comment which served to illumine the entire subject under discussion. Long after you had left him, you would be turning his words over in your mind in sheer delight at the deft way they sped to the heart of things. And when, later on, you saw them in cold print they served once more to kindle fires of the imagination, to give a quickening, soul-satisfying sense of rough contact with reality. Now that he is dead, I think it would tickle his grim fancy if he knew into what common currency his one time almost esoteric philosophies have been minted and how great is the reverence now done his name. For all except the last few years of his life he plowed a lonely furrow. Although he had studied at Johns Hopkins and Yale had given him his Ph.D. and he had earned a modest living teaching economics at such institutions of "higher learning" as Chicago and Stanford, much of his writing upset sacred academic applecarts, and many of his fellow professors raised questioning eyebrows at the mention of his name. Naturally anyone who was the author of such a devastating document as *The Higher Learning in America, a Memorandum on the Conduct of Universities by Business Men,* could hardly expect to be received with wild enthusiasm by those university executives whose total abolition he advocated.

With every evidence that a Veblen revival is well under way, the professors are getting down his books from the dusty shelves, puzzling over his often deliberately obscure but always deliciously satiric style and marvelling at how accurately he laid those lean, workmanlike hands of his upon the inner processes of our industrial civilization. They find that a great part of what is still regarded as pioneering in 1933 was done by Veblen in his brilliant *The Theory of the Leisure Class,* first published in 1899, in *The Theory of Business Enterprise,* which he published five years later, and in *The Instinct of Workmanship,* which appeared in 1914. And now that the role of the engineer in the making of a new social order is so widely emphasized by the sensational publicity arising from the work of the group known as Technocracy, it is interesting to read Veblen's ruminations on the possibilities of a revolution organized by technical men and workers, first published as a series of articles in the *Dial* during 1919 and later brought out in book form by one of the most loyal of Veblen's admirers, Ben Huebsch, to whom praise for keeping Veblen's works before a small but enthusiastic audience is long overdue.

BY the time Veblen reached New York and a measure of fame among the intellectuals, in the crowded days after the Armistice, he had been all over the structure of modern capitalism, examined its foundations, learned its everyday functions and found the essential flaws in its upper stories which in those days thrust so proudly into the skies. He had watched the rank flowering of American imperialism after the Spanish War, had cocked a cynical eye on the fantastic doings of the *nouveaux riche* in oncoming Chicago and had riddled the theory of our need for a leisure class by his comments on "conspicuous consumption." Ambling through small towns of the Middle West, poking into reports of government commissions, reading with rare relish the exalted publicity of chambers of commerce and A. F. of L. conventions, he pulled together and gave significance to such seemingly unrelated phenomena as the rise of chain stores, "business unionism", and the servile state of the scientist in our universities. Advertising and the nature of patriotism (what a magnificent weapon for pacifist propaganda he offered in *The Nature of Peace*), the credit system and the sanctioning of business sabotage, the vested interests of the trade unions and the dilution of Marxian socialism—all these he held against the strong light of his scientific skepticism, and in that light the essential shoddiness of the capitalist system is pitilessly revealed.

How does it happen, then, that Veblen's writings are so sedulously shunned by American Socialists? Why is it that those who have come under his influence, such as Howard Scott and his Technocrats for example, are quick to deny that their aims and the aims of the Socialists in any way coincide? The answer, so far as the Socialist rejection of Veblen is concerned, is to be found, I think, in his several essays brought together in *The Place of Science in Modern Civilization,* and most especially in his second paper on *The Economics of Karl Marx.* There he trampled roughshod over territory regarded as sacred by those whom he called "the keepers of the doctrine." Particularly did those American Socialists who had been holding up the Social Democrats of Germany as models for all the revolutionary world resent such Veblenian thrusts as: "The Social Democrats have come to be German patriots first and socialists second, which comes to say-

ing that they are a political party working for the maintenance of the existing order with modifications. They are no longer a party of revolution, but of reform, though the measure of reform which they demand greatly exceeds the Hohenzollern limit of tolerance. . . . The (German) imperial policy seems in a fair way to get the better of revolutionary socialism, not by repressing it, but by the force of the discipline in imperialistic ways of thinking to which it subjects all classes of the population." Veblen wrote this in 1907 and it took but seven years to confirm his analysis of the sterilization of German socialism. Nor is it yet evident, 26 years since the appearance of Veblen's paper, that the Social Democrats have learned very much about the difference between reform and revolution. Still Veblen was (and in many instances is) strictly *verboten* in Socialist reading-rooms and libraries.

TO be sure, Veblen was severely critical of much of the Marxian approach as well as of the tactics of Marx's followers, but on the whole he treated Marx with a respect not always accorded by the Socialist "revisionists." How neatly Veblen demolishes that hoary argument, "you can't change human nature" in his essay on *The Theory of Socialism,* which concludes: "The question, therefore, is not whether we have reached the perfection of character which would be necessary in order to achieve a perfect working of the scheme of nationalization of industry, but whether we have reached such a degree of development as would make an imperfect working of the scheme possible."

Thus spoke Veblen in 1892, when the machine processes of these technocratic days were still undreamed of. And he held that honest doubt, while repudiating with contempt the jibes of anti-Socialists as to the immutability of human nature, to the very end. In outlining his scheme for a *Soviet of Technicians,* in 1919, he wrote:

> By way of conclusion it may be recalled again, that just yet, the production engineers are a scattering lot of fairly contented subalterns, working piecemeal under orders from the absentee owners; the working force of the great mechanical industries, including transportation, are still nearly out of touch and out of sympathy with the technical men, and are bound in rival trade organizations, whose sole and self-seeking interest converges on the full dinner-pail; while the underlying population are as nearly uninformed on the state of things as the Guardians of the Vested Interests, including the commercialized newspapers, can manage to keep them, and they are consequently still in a frame of mind to tolerate no substantial abatement of absentee ownership; and the constituted authorities are competently occupied with maintaining the status quo. There is nothing in the situation that should reasonably flutter the sensibilities of the Guardians or of that massive body of well-to-do citizens who make up the rank and file of absentee owners, just yet.

IMPORTANT to an understanding of Veblen are those two little words, "just yet." He knew his times. He saw the drift of things, but he would not fool himself or his readers into a belief that a technological or social revolution was just around the corner, at any rate in 1919. There is of course no way of telling what he would have to say of today's headlong rush towards the collapse which he had so frequently predicted would be the result of the "dominion of business enterprise" over the "discipline of the machine industry." He would, of course, be quick to note the change in the status of a great cross-section of our production engineers from that of "fairly contented subalterns" to that of harassed job-seekers. He would find unharnessed and undisciplined discontent raging through all our working force, and certainly his keen eyes would observe the startling diminution in the ranks of the well-to-do. Would he still insist on tacking on "just yet" to his blue-prints for revolutionary change? And would not his robust integrity cause him to modify a considerable part of his criticism of Marxian philosophy? Finally, might he not look more closely to the possibilities of political action in times like these, forsaking his above-the-battle attitude, which, as Chamberlain points out in *Farewell to Reform,* led many of the economists of his day astray?

Veblen has left behind him trails which still lead straight to the central problems of our industrial civilization. His influence upon the new economics has been enormous and vitalizing. Those who have followed his studies of the nature of the machine process may check his conclusions with every new set of facts unearthed by census-takers, government commissions or technocrats; while those who have been stirred by the spirit of indomitable skepticism which shines through all his work are among the tough-minded who must do the thinking through to a new social order.

I hear that a biography of Veblen is in preparation. There could be no more appropriate time than this for the telling of the life story of a man who wrote so penetrating a biography of the entire capitalist system and incidentally did so much to help write its eventual obituary.

Treaty

IF two hands are strong enough to rear a tower,
Four hands are wise enough to build a town;
Yet in one finger lies the latent power
To tear both down.

So let us build our town and dwell as brothers,
And I for you shall rear a tower tall—
Then each, with two strong hands, must hold the other's,
Lest both should fall.

CARL JOHN BOSTELMANN

The Ignoble Surrender*

JOHN HAYNES HOLMES

WELL, the great propaganda drive against Prohibition has succeeded, just as the great propaganda drive against peace succeeded a decade and a half ago. The technique in the two drives was identically the same. The Dry, for example, like the Hun, was made a thing of horror by the newspaper reporter and cartoonist; all the crimes of society were attributed to the Prohibitionist, as all the atrocities of war were attributed to the Germans; all the blessings of law and order were promised if the 18th Amendment were repealed, as all the blessings of a "world safe for democracy" were promised if the German Empire were destroyed. This is a battle to save civilization, cry the Wets, in obvious imitation of the patriots of 1916-17, who vociferated that the struggle of the Allies was a battle to save civilization. Now that this former battle has been fought and won, it would seem as though our civilization still needed a bit of saving. And so it will seem with America a dozen years or so after the triumph over Prohibition! The Drys can afford to wait, as the pacifists waited after Versailles. In due course, a muddled and desperate nation will be standing around shamefacedly, and saying, "Well, you were right, after all!" And why not? For there's nothing new to learn about the liquor traffic, as there's nothing new about war.

It would be interesting, if it were in our line of argument, to trace not only the parallel between these propaganda drives, but also the parallel between the ways the same people "fell for it" yesterday and today. Of course, the newspapers collapsed at once, for reasons plain to anybody with a mind as high as the kindergarten level of intelligence. Far slower but no less sure was the surrender of the weekly journals of opinion. The *New Republic,* for example, not content with a war record which stands as something like a high-water mark of liberal fatuity, now writes a liquor record which shows that a burnt child, if it be "dumb" enough, will fear no fire. The college professors in 1916 discredited forever the intellectual pretensions of the higher education by succumbing to the manufactured mania against Germany, and now they are doing it all over again by succumbing to the present mania manufactured by boozers and brewers against Prohibition. The politicians, of course, once Wilson got the flood of hate released in 1917, ran like waterbugs before an open faucet. Today, with the "wet" flood loose, the vermin are scrambling again. Religious leaders kept their heads somewhat better than other men in the pre-war days. At least, some of them did! And they are doing so again. But it didn't take men of the John R. Mott type very long on either occasion to join the crowd. No more damning indictment of Christianity was ever registered than Dr. Mott's "Me, too!" spoken within a few hours after John D. Rockefeller's millions had said their say.

Only the Socialists are writing a worse record than the one they wrote before. To their everlasting credit be it said that the majority of the Party in 1917 refused to be stampeded into the war. But in the year 1932, at just the moment when the "wet" drive received its final impetus from the frightened rich who proposed to escape the menace of higher income taxes by saddling hundreds of millions of taxes on the poor through imposts on beer and wine, the Socialists caved in. By the great Jehoshaphat, what a time to clasp hands with the Chicago *Tribune,* the Hearst New York *Journal,* the Du Ponts, the Raskobs, and the Shouses! But the Socialists, after all, are only a part of this hectic democracy of ours which bows, like wheat before the wind, to every latest sweep of blind emotion. So why test them more rigorously than other men? The truth is, the nation has gone crazy again. We are going to have booze, though the multitudes freeze and starve, just as we were going to have war, though the world perished!

BUT I'm not disturbed. On the contrary, I'm amused—vastly amused. If men insist upon learning all over again what the liquor traffic has taught since the beginning of time, just as they insisted upon learning all over again what war has taught since that early year One, why not enjoy the ridiculousness of the process? That's what I'm going to do in these wet days ahead. These next few years I confidently expect to be the most hilarious of my life. If only the boozers will win all along the line! My one fear is that they may get halted somewhere—the Supreme Court declare their beer bill unconstitutional, or 13 recalcitrant states hold up their repeal resolution—and thus be able to continue their facile practice of blaming all ills, including crime, racketeering, kidnapping, unemployment, high taxes, bank failures, suicides, corrupt government, the depression, the eclipse of the moon, the last rose of summer, on Prohibition. What I want to see is the decks swept clean, everything arranged precisely as the Wets would have it. Destroy

* This is the first of a series of three articles dealing with Prohibition and its proposed alternatives.

the Volstead Act, get rid of the state enforcement acts, repeal the 18th Amendment! Then, *the fun:*

The fun of watching the nation legalize the sale of liquor, and at the same time prevent the return of the saloon, which is a place to sell liquor.

The fun of watching the nation provide places for selling liquor under strict legal control, and at the same time get rid of speakeasies, which are places for selling liquor under no control at all.

The fun of watching the nation put a heavy tax on liquor, and at the same time suppress the bootlegging of untaxed, and therefore, cheap liquor.

The fun of watching the nation take $500,000,000 or more out of the pockets of the people in taxes on booze, and at the same time not affect the purchasing power which is to restore prosperity.

The fun of watching the nation, which had trouble protecting its single borderline from "wet" Canada and Mexico, undertake to protect the many borderlines of "dry" states from "wet" states.

The fun of watching the nation which failed to keep the liquor traffic out of "dry" states in the pre-Prohibition days of horses and buggies, suddenly succeed in keeping the traffic out of such states in the post-Prohibition days of automobiles and airplanes.

The fun of watching the nation move into a five-day week and a six-hour day, with booze on tap at every corner for every leisure moment.

The fun of watching innumerable homes in "dry" territory as well as "wet" tune in on the radio, and hear the family mellifluously advised to drink gin-rickies at least twice a day, and to visit the corner-saloon at least twice a week.

And the fun, the warm, full-hearted fun, of seeing the good old days of childhood back again, when drunks reeled along the sidewalks and puked in the gutters, when children "rushed the growler" for sodden parents, when prostitutes lurked in the "family entrances" to catch the trade for the rooms upstairs run by the bar-keep, when distracted women met their husbands on pay-day at the factory gates to get the week's wage before it was wasted in the saloon, when Saturday night downtown was a reign of riot and debauchery.

Fun? There will be fun enough these next few years, if the Wets have their heedless way, to keep the sources of "innocent merriment" flowing like the beer that will burst its barrel-hoops once Congress legalizes booze. I expect to laugh until I cry—perhaps laugh to keep from crying. "I laugh," said Voltaire, "that I may not weep." But *I* am not going to weep—even over such a tragedy as the surrender of a gutless people to a few thousand bootleggers, gangsters, racketeers, and their so-called respectable patrons. No, I'm going to laugh—laugh long and loud, frank and free, till even the Wets may see the joke. They laughed at us, the Drys, because we succeeded none too well with a "noble experiment" which they made inordinately difficult by blocking and interfering in a spirit of bad sportsmanship which would make a professional pugilist blush with shame. Now comes our turn to laugh at them, as they try their hands at a policy which is too old to be an experiment and has not even the grace of being "noble."

BUT we can't laugh too long. The situation, however funny, is at bottom too serious for inextinguishable hilarity. After we have had our fun, and plenty of it, we must get down to business, and "rub it in." By this I mean taking the facts of the forthcoming "wet" regime as they develop, like maggots in rotten meat, and shaking them in the face of the Wets till they get sick of their own handiwork! I for one propose to be relentless, cruel, wicked, in these next few years. The Wets will soon enough be bleeding from open wounds of chagrin and disillusionment, and I am going to do what I can to take the salt of bitter reality and "rub it in."

For we know just what is going to happen when or if the 18th Amendment is repealed, and the Wets must know it, too. Already they surmise it, for there are a hundred signs that they are beginning to hem and haw, to hedge, and halt, and run to cover. They are frightened at the prospects of their own success. For there is not a policy which they advocate, not a method which they suggest, not a rule or regulation which they propose, for the control of the liquor traffic, that has not been tried and tried again, with results of public demoralization, human misery, poverty, crime, despair, which made inevitable the very Prohibition which is now rejected. The Wet regime will simply be history lived over again, that's all. We know what's coming tomorrow, because we remember, some of us, what came yesterday. And when this comes, the Wets are not going to be allowed to forget or ignore it, so far, at least, as I am concerned.

I remember the days of my boyhood and youth in a Massachusetts city under the system of local option. Once a year, at the municipal election, the citizens voted on the liquor question. Did they want to license liquor or to outlaw it? My town was a Prohibition town. We would vote to ban the traffic. Then the liquor forces would surround the place, from their foothold in Boston and other "wet" territory. They would open their speakeasies and organize their drinking-rackets with the so-called respectables of the community. Before long we would begin to get excited about stories of "home-brew," "hip-flasks," "drunken youth," and what not. Propaganda, if not so efficient, was certainly as fierce in those days as it is today! After a few years, in disappointment and disgust, the voters would repudiate Prohibition and go back to high license. Then the saloons would open on every corner, prostitutes swarm into the streets from all the beer

parlors and whiskey joints, Saturday night drunks turn the streets into a riot, "speakeasies" and "blind tigers" multiply for the sale of untaxed booze. One year of this sort of thing would usually be enough. Back would come Prohibition, and the old fight be renewed!

THE fact of the matter is, there is no way of doing business with the liquor trade in terms of decency, honor, and democratic law. The trade exists for the deliberate exploitation of the weaknesses and baser passions of human nature. It makes its enormous profits by cold-bloodedly breaking down the character of men, women, and little children. It is in its very essence lawless. It pays as little respect to regulations as to suppressions. It corrupts government, disorders industry, debauches public morals, as easily and happily under license as under no license. It is the law of its own life to defy the law of the country, all law, restrictive law as well as prohibitive law. It is no more willing to be controlled than to be banned. It insists upon having its own way, no matter what the cost or peril to society. Hence the failure of every attempt to deal with liquor—a failure, I am profoundly convinced, which was considerably less under Prohibition than under any other system ever tried.

If we could be realists in this matter and not mere sentimentalists, we would see that the problem of the liquor trade is very simple. It presents a single and genuine alternative. Either we must take our hands off entirely, and leave the liquor-dealer just as free to carry on his business as the grocer and the stationer; or we must fight the traffic, exactly as we fight the drug traffic or the white-slave traffic, as too dangerous to the public welfare to be endured. Since there has never been anybody but an occasional fanatic, more interested in personal exhibitionism than in public spirit, who has believed that the liquor trade can be left alone to pursue its own unrestrained desires, there must come a time when everybody will agree that the trade must be destroyed. After centuries of experience with war, we are just beginning to discover that there is no remedy for the evil short of outlawry. How many more centuries of experience must we have with liquor before we reach the same conclusion? This, friends, is the one question before the house.

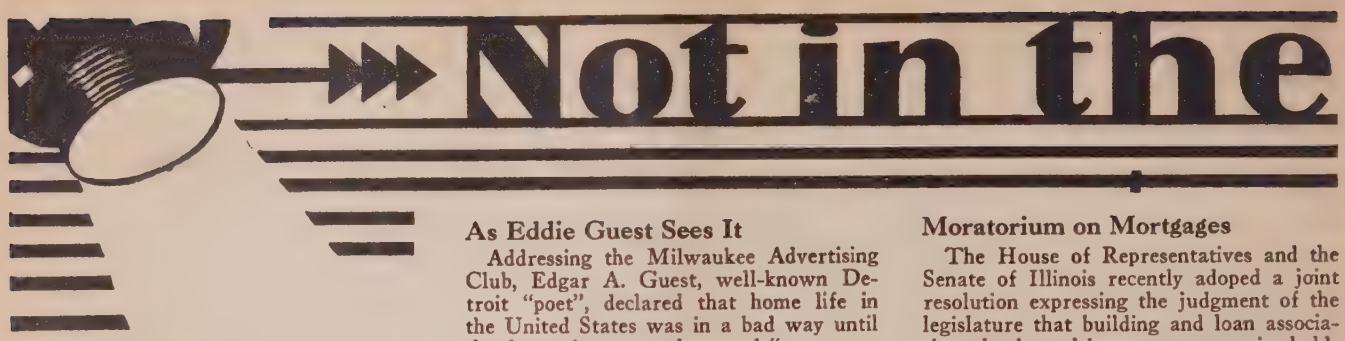
WELL, it's all this that I am going to "rub in" to the consciences of the Wets. I am going to make their feelings in the face of failure as sore as a dog's nose when rubbed in the dirt. Then, having had my laugh and my amiable revenge, I'm going to fight. And there are millions of others in this country who are going to fight, too. Anybody who thinks that the Prohibition forces are beaten, or, if beaten, are going to stay beaten, has an hour of sad awakening not far ahead. For the moment we can take things easy, giving the Wets all the rope they want to hang themselves. It is only fair, after the strenuous years just flown, to take time out for a long laugh and a sweet "I told you so!" But then will come the fight again—another crusade that will rewrite in the 20th century the temperance history of the 19th century. And it will be a fight worth seeing, a crusade worth following!

It seems a pity, a woeful waste, that the work, once done, has to be done all over again. But when a man, having set his hand to the plow, looks back, his furrow is spoiled and he has to start anew, this time to plow deeper and keep his eye ahead. After all, this has been the story of many another reform, a story compounded of fickle human nature and stubborn social ill. But no true reform has ever been beaten, though it had to fight and lose as many battles as Grant fought and lost on his way to Richmond. Why worry at a battle lost? The one thing needful is to fight; then, if beaten, to fight again. "I plan to fight it out on this line," said Grant, "if it takes all summer." Yea, if it takes a lifetime, a generation, a century! This is the law of progress, written in the patience of the saints and the perseverance of the saviors of every age. So who's afraid, or discouraged, or defeated? No one that I know in the Prohibition ranks! For we enlisted in this war "for duration", holding with Browning that

> ". . . . we fall to rise, are baffled to
> fight better."

SO-o-o-o-o, as our beloved Ed Wynn puts it, this is my position. It is the position of an incorrigible, unashamed, undiscouraged Dry who sees good times ahead, and the joy of a swifter, braver, more triumphant fight than has ever yet been fought. For I know what's coming! Society can't live with liquor any more than it can live with war. Therefore we are going to have a liquorless world as surely as we are going to have a warless world, and by the same method in both cases—*outlawry!*

Human nature, or a large part of it, doesn't see how it can survive the change. A lot of men want to fight, as a lot of men want to drink. But neither fighting nor drinking has any place in a disciplined and dedicated life. Fighting means a breakdown of reason, and drinking means an escape from reason. To argue that fighting is either necessary or advantageous is to betray such animalism of the flesh as to disgrace humanity. In the same way, to argue that drinking is either necessary or advantageous is to confess such sterility of spirit as to defame the soul. What am I to think of a man who is so poor within, has so scant a supply of imagination, poetry, song, the "sheer joy of living," that he can't be happy or spontaneous until he has been given a boost by booze? Well, I know what I think of such a barren creature, and I think I know what posterity will think.



Thomas Vote Mounts

The *New Leader* reports that with official returns from nearly all states available, last November's vote for Thomas and Maurer has reached 906,-900, with scattering corrections expected to bring the total up to 910,000. "It is not impossible," says that publication, "that the vote will reach the record of 919,799 cast for Debs in 1920.

Sugar Taxes Pay Bank Loan

The loan of $1,650,000 recently made to Cuba by the Chase National Bank and approved by the House of Representatives, is secured by a pledge of all Cuban revenues derived from the existing production tax of 10 cents a bag on raw sugar and the sales tax, increased from one-half cent to a cent a pound, on refined sugar not consumed on the island.

Red Baiter Suspended

Maclay Hoyne, lawyer-politician who put Illinois radicals behind bars during the post-War hysteria, will be unable to practice law for the next year by decision of the State Supreme Court. Hoyne's suspension from practice was ordered because of unethical conduct as head of the law department of the sanitary district during the recent Chicago regime. Hoyne was always very patriotic in his denunciations of radicals whom his office brought to court under the Illinois criminal syndicalism law.

Lynchings in 1932

According to the National Association for the Advancement of Colored People, there were 11 lynchings in 1932, a drop of three from 1931. Only one state, Florida, had two lynchings, while each of the following states had one lynching; Arkansas, Georgia, Kansas, Kentucky, Louisana, Ohio, South Carolina, Texas, and Virginia. Two of the victims were white; the rest were Negroes. In making public the figures, Walter White, N. A. A. C. P. secretary, said: " . . . Satisfaction at this slight progress must be tempered by the knowledge that quasi-legal lynchings, shootings by members of posses, hasty court trials with results virtually dictated by mobs, as in Scottsboro, Alabama, are little if any better than open and unashamed mob murder. The lynching spirit still remains the focal problem of law enforcement in America."

As Eddie Guest Sees It

Addressing the Milwaukee Advertising Club, Edgar A. Guest, well-known Detroit "poet", declared that home life in the United States was in a bad way until the depression came along and "sent every member of the family back to the fireside." He added: "The depression has been a mighty fine thing for the boys and girls. It gave them a chance to do their own thinking and made them self-reliant."

Regulating the Merchant Marine

An international agreement to limit the supply of world merchant marine tonnage was advocated by Lord Essendon, chairman of the Furness-Withy Lines, in a speech before the Royal Empire Society. Lord Essendon declared that "tariffs, quotas, restrictions and exchange regulations are all blows to shipping" and that since the War every important development has been adverse to shipping. Experience, he declared, had proven such an agreement both necessary and wise.

Mexico to Leave the League

Mexico has officially notified the League of Nations of its intention to withdraw at the expiration of the required two years' notice. The reason for the withdrawal was given by the Mexican government as the economic depression. Mexico's League dues amount to $100,000 annually.

Polish Terrorism

In September, 1931, the Polish Council of Ministers instituted Special Tribunals, the powers of which are wide. On February 6, 1932, the Committee of the Sejm (legislature) on legal questions discussed the demand made by the Polish Socialist Party for the abolition of these tribunals. Attention was then called, according to the Labor and Socialist International, to the frequency of executions, particularly of young people under age. The reporter stated that three adolescents of 19 years and one of 17 had been hanged. He also declared that executions had become so frequent that the hangman has had to call for assistance. The L. S. I. calculates that at the end of 14 months' activity, 300 persons have been sentenced by the Special tribunals and that about 200 have been executed. An analysis of these cases shows that 70 of them were of a political character. Of these 70 cases, 50 resulted in death, and 15 in life imprisonment. The cases show clearly, the L. S. I emphasizes, that the Special Tribunal is being used as a weapon in the class struggle.

Moratorium on Mortgages

The House of Representatives and the Senate of Illinois recently adoped a joint resolution expressing the judgment of the legislature that building and loan associations, banks and insurance companies holding mortgages on homes and farms of citizens should declare a one-year moratorium on the foreclosure of mortgages and make adjustments of principal and interest in the light of changed conditions.

Russian Symphony

A Soviet Symphony, composed for the 15th anniversary of the Russian revolution, received its first performance in America when the Chicago Symphony Orchestra played it December 22 and 23. Nicolas Miaskovsky, the composer, was a Czarist and later a revolutionary general, but is now professor of music in the Soviet Union. The work is known as Symphony in G Minor and is Miaskovsky's twelfth. The score was obtained for the Chicago orchestra by the Chicago Society for Cultural Relations with the U. S. S. R.

Farm Solidarity

In Woodbury County, Iowa, the annual tax sale was held early in December. Some 10,000 pieces of property were to be sold to the highest bidder for non-payment of taxes. When the sale was to begin about 1,500 farmers had gathered. The Treasurer read the titles of the delinquent parcels of land and then asked for bids. There were none—not a single one. The sale was postponed. The farmers are organized in the Farmers' Holiday Association.

Korean Fights Japan

Dr. Syngman Rhee, veteran leader of the Korean people's struggle for freedom from Japanese rule, sailed recently from New York for Geneva, where he will carry on his fight in connection with the Lytton Report on Japan's seizure of Manchuria. Upon closing his office in Washington, the (exiled) president of the provisional republic of Korea said: "The Korean people have never accepted Japanese rule, and now that the League of Nations is inquiring into Japan's seizure of Manchuria it may be helpful to investigators to receive an understanding of the deadly parallel between what Japan is doing today in Manchuria and what she has already done in Korea. . . . She had obtained her first piece of Asia, her foothold on the continent, and now, with Manchuria in her grasp, she is ready for digestion of that vast area."

Headlines

Decline in Savings Deposits

The American Bankers' Association reports that the total of savings in the United States was $24,281,346,000 on June 30, 1932. This is a decline of $3,925,898,000 from last year. The number of savings accounts has decreased by 7,047,340 from 51,399,446 to 44,352,106, although the population increased by more than 750,000. The per capita savings is still $33 greater than in 1922 and $106 greater than in 1912.

France Loses Favor

Four hundred office girls of a Cincinnati firm recently pledged themselves not to buy articles made in France or to accept them as gifts until the French government changes its attitude in the matter of their debt to the United States. At the same time, reports the Associated Press, a group of society women in New Bern, N. C., have agreed not to visit France as long as it refuses to discharge its obligation.

War Resistance in Flanders

The Socialist Anti-War League of Antwerp, Belgium, whose declaration is, according to the War Resisters' International, "We shall take no part in war under any circumstances," demands complete disarmament. The League has started a journal entitled *Neen* (No), which already has a circulation of 7,000.

Farmers Affiliate

The United Farmers of Ontario, in annual convention ,have decided to affiliate with the Coöperative Commonwealth Federation recently formed to link up the political movements of farmers and industrial workers. J. B. Woodsworth, Labor Party leader, is president of the Federation.

Porto Rico's Socialist Commissioner

Santiago Iglesias, secretary of the Pan-American Federation of Labor, founder of the labor movement and Socialist Party of Porto Rico, who is soon to take his seat as Porto Rican Commissioner in Congress, has returned from San Juan to his office in Washington. His party won the November election in the island by forming a coalition with the Progressive Republicans. The coalition will have a strong working majority in both branches of the legislature and is expected to repeal the sales tax which was imposed on the people ten years ago by the parties of business.

Another Harlan Conviction

Granville Vaughn, who was arrested for participation in the Evarts battle a year and a half after it took place, has pleaded guilty to two charges of manslaughter and has been sentenced to two years in the penitentiary on each count. He is the sixth to plead guilty so as to escape the danger of a life term. Six have been given life terms already.

Swing Toward Socialism

Sir Frederick Whyte, distinguished British administrator, recently declared in Cincinnati, that England's future would be determined by the Labour Party. "England is more socialist now than she admits. . . . But the Labour Party has been busy getting social reforms out of the capitalist system, and now that process has gone as far as it can. . . . The future of England will be, in the long run, in the keeping of the Labourites."

John Milton Magazine

A religious magazine in Braille will make its first appearance this month under the name *John Milton Magazine.* It will be free to the blind and is being financed by contributions from various denominational boards. Over 40 denominations are represented by the 900 blind who have already applied for the magazine.

City Taxes Down

A decrease in the total amount of taxes paid for support of municipal government throughout the country is shown by the annual compilation of comparative tax rates of 277 cities by C. E. Rightor, formerly chief accountant of the Detroit Bureau of Government Research and now City Controller of Detroit, published in the current issue of the *National Municipal Review.* The tax relief comes from the fact that municipality after municipality has been forced to lower assessed valuations and then has had to trim sail on expenditures in order to hold tax rates within reasonable bounds. "Despite the trend to lower assessments, however," Mr. Rightor points out, "reductions in many cities have not kept pace with the decline in actual valuations." For 149 cities in which reduced assessed valuations were reported for 1932, Mr. Rightor's analysis shows that 66 cities increased, 61 reduced and 22 reported no change from their 1931 tax rates. For 67 cities in which assessed valutions were reported for 1932 as unchanged from the preceding year, Mr. Rightor's table shows that 23 cities increased, 32 decreased and 12 reported no change from the rates for 1931.

Naval Strike

Hundreds of sailors of the Royal Australian Navy walked ashore in Melbourne and held a protest meeting against reduction of pay under the financial emergency act. They threatened definite action unless their grievances were remedied.

Santa Claus in Kanawha Valley

Pioneer Youth of America and the League for Industrial Democracy coöperated with the West Virginia Mine Workers' Union in staging huge Christmas parties in various West Virginia Mining towns during the week before Christmas. Toys, candy, and fruit were liberally distributed. Contributions to the cause were received from all parts of the country.

Company for the Women Patriots

Syracuse Post 41, of the American Legion, it is learned, passed a resolution at the time of Professor Albert Einstein's announcement of his projected visit to this country requesting that he be denied admittance to the United States. The members voted for the noted scientist's exclusion on account of what they considered "communistic tendencies displayed by him during his last visit to the United States."

Municipal Housing

The League for Industrial Democracy has just issued a 35-page booklet on *Municipal Housing,* written by Helen L. Alfred, Secretary of the Public Housing Conference. The book is full of vital information on an important subject.

Progressive Federation of Labor Proposed

Dissatisfaction with the A. F. of L. has induced the Gillespie Trades and Labor Council in Illinois to issue a call for a statewide conference to organize a Progressive Federation of Labor. The Progressive Miners of America, with a membership of 32,000, has indorsed the movement.

In Memoriam

In the First Presbyterian Church of San Rafael, California, says the Federated Press, a stained glass window has been dedicated "in memory of the chivalrous life of Captain Robert Dollar, distinguished by heroic acts of faith and industry." Among the chivalrous acts of Captain Dollar, says the F. P., was his famous recommendation during the longshoreman's strike in San Francisco to "end the strike by sending ambulances down to the docks empty and bringing them back full of strikers."

Is the Gold Standard Sacred?

FRANCIS S. KINDER

IN the past two years wages have been lowered almost everywhere for the purpose of adjusting them to a lower price level. Since other important sources of income are exempt from such adjustment, it is clear that the price decline will bring a change in the distribution of wealth by which the welfare of the wage-earning classes will be set back and the interests of certain other classes will be advanced.

One example of the latter development may be cited. Senator Cordell Hull has estimated that there are now outstanding approximately 38 billion dollars of Federal, State and municipal tax-exempt securities. Falling prices in the past three years have virtually doubled the purchasing power of the income from nearly all of these; and unless prices again rise markedly, the principal, when paid, will have doubled its purchasing power, thus vastly increasing the wealth of one class.

There has been much deploring of the evils of wealth concentration. The country is now faced with a swift movement in that direction on account of our 170 billions of public and private debts. A large part of these are obligations of homeowners, farmers and business men of modest means. The properties pledged as security have depreciated in value through the fall in prices, often to the extent of wiping out the debtor's equity. Hundreds of thousands of farmers who mortgaged their land a few years ago now find its value shrunk to half—and that half owned by the money lender. If the 170 billion dollars of debts have to be liquidated on the basis of present commodity prices, it will mean that a considerable part of the wealth now remaining in the hands of the masses will pass into the hands of the larger banks and other money-lending institutions.

There is little promise that the situation will be corrected by a rise in prices from economic causes. To correct it by some governmental measure that the moral sense of mankind will approve is one of the serious problems facing our statesmen. Still more important is it to establish a monetary standard that will do its part in preventing such a situation in future.

—From a drawing by Rix in the Review of Reviews.

THE PUPPET-MASTER

Another and almost equally serious result of declining prices is its benumbing effect upon industry itself. If the reader will examine the charts in the August, 1931, bulletin of the Bureau of Agricultural Economics entitled "The Agricultural Situation", he will observe how business activity in this country has increased with rising prices and decreased with falling prices.

THE reasons are simple enough. Under rising prices the manufacturer and the farmer find their goods bringing in more money than had been anticipated, which makes it easier for them to meet their obligations and encourages expansion. This in turn means increased employment, with wages tending upward, higher interest rates and higher nominal profits. Still more important is the easing of the burden of debts. These things create a hopefulness in the community which stimulates the buying of goods. Thus each enterprise, by a more frequent turnover of stock, may enjoy a higher degree of prosperity though the margin of profit as measured by purchasing power may be no higher than at other times.

Under falling prices these processes are reversed. The producer, whether manufacturer or farmer, is discouraged by lower money returns than he had anticipated. To meet his obligations he must often reduce his output and curtail employment. When the farmer of 1932 was obliged to raise 1,000 bushels of grain to pay interest, taxes, insurance and other fixed charges which 400 bushels would have paid in 1925, we can understand the distress which falling prices in the past

few years have brought to our farm population; and we can see what has happened in the many other productive industries that are carried on so largely with borrowed capital.

It is not unlikely that prices will rise perceptibly in the near future; but there is no promise of such a rise as is needed. There was an increase of nearly $100,000,000 in the annual yield of gold between the years 1922 and 1928, but this was not sufficient to prevent one of the most disastrous price declines in history. The rate of increase since 1928 has been slightly accelerated and may bring a perceptible rise in the price level, but not such a rise as the industrial situation requires.

THE reader may want to ask if falling prices may not be due in part at least to overproduction through the greatly extended use of machinery. I have been interested lately to examine the statistics of production of a number of our leading commodities in relation to price changes, and the facts are such as should leave no doubt on this question.

The average world production of wheat for the seasons 1911-12 to 1913-14 was 57 per cent higher than for the seasons 1893-94 to 1895-96; yet the average price received by farmers in the United States rose from 50.9 to 84.8 cents. For the seasons 1928-29 to 1930-31 world wheat production averaged only 16 per cent above that for 1911-12 to 1913-14. How account for the fall in wheat in 1932 to the lowest price on record?

The average world production of sugar for the seasons 1912-13 to 1914-15 was 96.4 per cent above the average for the seasons 1895-96 to 1897-98; but the average New York price of raw sugar rose from 3.8 to 4.0 cents. The average world production for the seasons 1928-29 to 1930-31 was only 49 per cent above that for 1912-13 to 1914-15; yet the New York price of raw sugar fell to 3.6 cents.

World production of cotton for the seasons 1910-11 to 1914-15 averaged 82.4 per cent above the production for 1891-92 to 1895-96; yet the average New York price of Midland Uplands rose from 7.67 to 12.02 cents. For the seasons 1927-28 to 1931-32 world production was only 11.5 per cent above that for 1910-11 to 1914-15. How explain the disastrously low price of cotton in the past two years?

Similar results were found for other leading commodities. In no instance did I find facts indicating that the present low price level has been caused by overproduction, though probably an exception would be found in the case of oil.

THERE is one adequate explanation of the price decline. The annual world production of gold, which at the beginning of the World War had reached $470,000,000, fell to $319,000,000 in 1922, and has now risen to not much above $400,000,000. Economists who were giving careful attention to this curtailment in the gold supply had for several years predicted further price declines as a result of the return of all Europe to the gold standard in the decade following the War. And they raised the question whether the yearly output would rise to a point where it would meet the increasing needs of the commercial nations for reserves on which to base note issues. Events proved these warnings well founded, and we are faced with the question whether a more stable money standard is not one of the greatest needs of our time. Even under a regime of socialism we should not escape this need.

It is the uncertainty of gold production which makes our present standard so unsatisfactory. Lord Braborne, chairman of Consolidated Gold Fields of South Africa, is quoted as predicting that the annual gold supply of the world will fall within the next decade to $270,000,000, and in 15 years will reach a much lower point. If this forecast should be fulfilled even in part it will mean another drastic fall in prices, and will give those in control of the gold supply a tremendously increased power over the rest of humanity, unless the gold standard is definitely abandoned by the leading commercial nations.

It is true that such predictions as that attributed to Lord Braborne ought not to be emphasized except as being the opinion of one qualified to speak. The depression will stimulate the search for gold all over the world, and it is not unlikely that new veins will be opened. What we have to consider is that a rise in prices due to new supplies of gold will give only temporary relief until another slump in gold production occurs. It is this dependence of our money standard upon the varying production of a single metal which makes the industrial outlook more precarious than it need be.

Obviously we need at this time a higher price level, such as will enable the mass of foreign and domestic debtors to pay their debts with dollars of near the same value as those they borrowed. And we need an improved money standard which will thereafter insure a high degree of stability in the price level through the action of the money standard itself.

Years ago Lord Balfour attributed to falling prices "the most deadening and benumbing influence that can touch the springs of enterprise in any nation." His warning went unheeded in England, as elsewhere, because it ran counter to the interests of the influential money-lending classes. But experience has shown the truth of Balfour's words, and dearly are the nations paying for the proof. We, along with the rest of the world, need a more stable money standard—just as we need other measures to insure a more equitable distribution of wealth.

The Book End

With occasional exceptions important enough to merit drastic criticism, THE WORLD TOMORROW *reviews only books which it believes, after careful evaluation, are of genuine worth.*

Economic Reform: Dogma or Detail?

Must We Starve? By Scott Nearing. Vanguard Press. 256 pp. $2.50.

Profits or Prosperity? By Henry Pratt Fairchild. Harper & Brothers. 199 pp. $2.75.

A Practical Program for America. Edited by Henry Hazlitt. Harcourt, Brace & Co. 133 pp. $1.00.

CAPITALISM has collapsed. Business will never restore prosperity. Hard times are here to stay. The depression will endure for years. Things will go from bad to worse. Mass starvation is inevitable. We lie in the trough of a business cycle. We slide down the incline of a price cycle. And, as if these were not cycles enough, we drop to the bottom of a cycle of nationalism, a cycle of imperialism, a cycle of culture. The "contradictions" of capitalism have proved its undoing. The Marxian prophecy is in the process of fulfillment.

So Scott Nearing sees the present crisis. The statistics which he marshals and the graphs which he draws in support of his thesis are new. But the thesis itself is not. It is the gospel according to Marx in modern dress. And the statistics and the graphs, be they twisted and tortured as they may, still do not establish its validity. Granted the wastes and abuses of production for profit; granted the economic maladjustments of the post-War world; granted the human hardships of unemployment, it still does not follow that the hour of proletarian revolution has struck.

Dr. Nearing finds the root of depression in the tendency of production to outrun purchasing power. The quest for profit, he contends, inevitably results in over-saving, over-investment, over-expansion and over-production. Wages are cut; workers are unable to buy back the goods which they have produced; depression supervenes. This is the theme which Professor Fairchild also takes up in *Profits or Prosperity?* The purchasing power of the community, in the view of this author, is limited to the disbursements made by employers in the form of wages, rent and interest. Employers own the product of industry. They sell part of it for the purchasing power which they have disbursed. The rest of it they retain. This surplus is profit. It is set down as a law that the amount of this profit is limited by the ability of the employing class to consume. Beyond this point profits are impossible. For the employer, unable to consume, invests. And new investment at once increases the output of goods and reduces the supply of purchasing power which is available for the purchase of these goods. The surplus output cannot find a profitable market. Employers thereupon cut wages and lay off men and depression follows. So runs the argument.

Dr. Nearing's business cycle theory is the familiar Marxian theory of over-production. Dr. Fairchild's theory is the variant or orthodox Marxism which places its major emphasis on over-saving. This particular explanation of the cycle has been developed at length in the writings of John A. Hobson and Foster and Catchings. It is presented by Professor Fairchild, curiously enough, as if it were a new discovery. These theories are attractive because they find in low wages and inequality the cause of recurring hard times and thus add another argument to the case for greater equality. But they must, none the less, be rejected as an oversimplification of the problem.

The remedies proposed by these authors flow logically from their analyses of the causes of our social malady. Professor Fairchild would tax inheritance and income to attain equality; check investment and stimulate spending; limit the quest for profits and extend the sphere of community ownership. It is difficult, however, to account for his rejection of that unemployment insurance which might protect the purchasing power which he regards as so vital to stability. Dr. Nearing finds The One Way Out in a "proletarian revolution," led at first by an intelligent minority and followed in time by the masses, which will wipe out the whole economic structure and set up in its place "the superstructure of a communist society."

By way of contrast, Henry Hazlitt's little volume is immediate, practical, concrete. It presents a series of brilliant essays which appeared originally in *The Nation.* Each of the authors included is an expert in his field. Hazlitt himself writes on tariffs, reparations and war debts; E. R. A. Seligman on federal fiscal policy; Leo Wolman on unemployment insurance; Clarence S. Stein on housing; E. G. Nourse on farm relief; Walton H. Hamilton on the anti-trust laws; H. Parker Willis on banking; Morris L. Cooke on power; Winthrop M. Daniels on railroads and Ray Vance on depression and recovery. If the specific proposals presented in these essays were to find their way into law and administration, we should be much nearer to the equality which Professor Fairchild desires; but Dr. Nearing's revolution would become even less necessary and less likely than it is today.

CLAIR WILCOX

A Saga of Industry

Inheritance. By Phyllis Bentley. Macmillan Co. $2.50.

MISS BENTLEY'S novel of industrial England, heralded by many critics as one of the most significant novels of the year is a full-length portrait of industrial England. The history of that country from the beginning of modern industry to the post-War depression is comprehended on its canvas. The six generations of Oldroyds who march through its pages are woolen mill magnates who begin with a small establishment of the pre-industrial era and, after consolidating their fortune through a period of a hundred years, meet their nemesis in the depression that followed the War. The tragic consequences of the development of power looms, the ineffectual protest of the Luddite and Chartist movements against these consequences, the brutal will to power of the masters and the gradual organization of labor are all woven into the texture of this story.

The Oldroyds are brutal men in their business and inept and confused children in their family life. The tragedies which spring from both their thoughtless brutalities and their confused and unhappy family life are skillfully interwoven. The characters of the different generations reveal both striking similarities and dissimilarities. They are all masterful and heedless. In their family life they usually begin by betraying their women folk but end by trying to be loyal to them. They fail to win a really loving devotion from their families because their loyalty is felt to be a gift, bestowed with the expectation of grateful acceptance, and not as a generous and unconscious adventure of love.

They hatch the rebellion against their tyrannies in the bosom of their own families. From the second Oldroyd, who betrays and finally marries the sister of one of the Luddite rebels, to the penultimate Oldroyd, who marries the daughter of a labor radical, the family can not extricate itself from involvement with its foes. The history of the family is thus a perfect miniature of industrial England, viewed from both sides of the industrial struggle and revealing the consequences of growing riches and growing poverty in the lives of the masters and the workers. The Oldroyd of the War and post-War period is merely an owner and a sportsman, and not a master. The hard stuff of the family turns to softness in his generation, and he is unable in his weakness to cope with the difficulties of the period. As he turns with his family from the scene of their shattered fortune, his young son jumps from the train to make his way back to the family mill, hoping to recoup the family prestige and fortune. One gains the impression that this gesture is a perfect symbol of the blind courage of a dying class. It makes one last futile gesture of hope and heroism, and the chronicle is mercifully ended before the futility of such a gesture is fully revealed. R. N.

Tom Mooney, Symbol

What Happened in the Mooney Case. By Ernest Jerome Hopkins. Brewer, Warren and Putnam. $2.50.

The Mooney-Billings Report—Suppressed by the Wickersham Commission. Gotham House. $1.50.

"THE times produced the crime. The times produced what followed the crime." These are the first two sentences of Jerome Hopkins' book on the Mooney case. This is a Marxian interpretation by a non-Marxist. It orients the reader as many books about this classic example of injustice do not. Tom Mooney is not in jail simply because he *happened* to be falsely charged with a crime which he did not commit. Tom Mooney was a radical; he was immersed in the class struggle in California on the side of the workers. When the opportunity came for the San Francisco Chamber of Commerce and the utility interests to shear this man of his power by imprisoning him, nothing was too despicable for them to do in order to accomplish their goal. The paradox is that Tom Mooney in prison for these many years is a much greater threat to the status quo than was Tom Mooney the free man of 1916. Today he symbolizes the revolutionary hopes of millions of workers and, also, what they must expect in the meanwhile under capitalism. He is a world figure.

The immense value of a book like Hopkins', with its detective-story tempo is that it makes you "fighting mad". Reading it, you determine to use cool hatred in tearing off the self-righteous façade of our middle-class society: in the spring of 1932, leading churchmen in California nonchalantly assured me, "We got the right men on the wrong evidence."

Gotham House performed an inestimable service when it published the Mooney-Billings report that was suppressed by the Wickersham Commission. Here is a calm measured statement by a sub-section of one of President Hoover's own commissions. These men are not radicals. Yet, they present an array of facts which show the unprincipled falsifying of evidence by "Open Shop" Fickert. On the basis of this evidence, they charge: (1) There was never any scientific attempt made by either the police or the prosecution to discover the perpetrators of the crime. (2) There were flagrant violations of the statutory law of California by both police and the prosecution in the manner in which the defendants were arrested and held incommunicado, and in the subsequent searches of their homes to procure evidence against them. (3) Witnesses were coached in their testimony to a degree that approximated subornation of perjury. There are six other equally serious charges.

Senator Burton K. Wheeler, in introducing the report, fervently hopes that its publication will free "these victims of judicial tyranny." However, it is questionable whether Mooney and Billings will go free until a growing revolutionary movement of workers swings back the prison gates. In the meanwhile, Tom Mooney ages in San Quentin. His epochal function is proving to be that of accelerating the forces hurling us toward revolution and a classless society. FRANCIS A. HENSON

This Week's Anniversary

JACK LONDON

BORN JANUARY 12, 1876

I discovered that I did not like to live on the parlor floor of society. Intellectually I was bored. Morally and spiritually I was sickened. . . . So I went back to the working-class, in which I had been born and where I belonged. I cared no longer to climb. The imposing edifice of society above my head holds no delights for me. It is the foundation of the edifice that interests me. There I am content to labor, crowbar in hand, shoulder to shoulder with intellectuals, idealists, and class-conscious workers, getting a solid pry now and again and setting the whole edifice rocking. Some day, when we get a few more hands and crowbars to work, we'll topple it over, along with all its rotten life and unburied dead, its monstrous selfishness and sodden materialism. Then we'll cleanse the cellar and build a new habitation for mankind, in which there will be no parlor floor, in which all the rooms will be bright and airy, and where the air that is breathed will be clean, noble, and alive. . . . I retain my belief in the nobility and excellence of the human. I believe that spiritual sweetness and unselfishness will conquer the gross gluttony of today. And last of all, my faith in the working-class. As some Frenchman has said, "The stairway of time is ever echoing with the wooden shoe going up, the polished boot descending."—From *What Life Means to Me.*

CORRESPONDENCE

"I Hate War, But——"

OF all the phases with which peace advocates must wrestle, is not the mental attitude of the average man one of the chief obstacles? It would seem so if we can judge from a passage in a letter I received a few days ago from a young man who served in the United States Navy during, and for a while after, the World War. He wrote:

"I have been a reader of history, especially naval, which has painted pictures that have stirred me. It has all been so real, so true to the greatness of it all. Service in the Navy and the God of War have been kind to me. Yet I have seen the brutality of it all, the souls killed within because it was all wrong. I have hoped that nothing would ever happen that might make it necessary for me to see service again—but I would be too cowardly to fight the battle alone and stay behind. I have often wondered how they must have felt who stayed home while the boys went marching along with colors flying and drums beating, all potential heroes, patriots of their country.

"While I abhor war . . . yet I am still one of the sheep that would fight for Morgan, for Rockefeller and Wall Street, for I know that no war has ever been fought except for the mercenary reasons which are the real reasons way back of it all."

Now what is to be done with any person holding such criss-cross ideas? It brings to mind at once the worn-out phrase: "Oh, I don't believe in war, BUT—*we must be prepared!*" It brings also to mind a well-known statement by General John F. O'Ryan: " . . . the experience of a soldier at the front tends to lower his finer sensibilities. War is the denial of Christianity, and of all the most sacred things in life. It exalts force. It thrives on lies." Yet General O'Ryan, with all his understanding, says in the next breath: "If my government calls again, my services are at its disposal." What is to be done with such a state of mind? And think of the thousands on thousands who stick to that viewpoint—declaring they "abhor war" yet resolutely clinging to maintenance of armaments which are without question a potent factor in precipitating conflict.

I have called it a viewpoint. But it is not one viewpoint. It is practically two viewpoints badly mixed in a muddled head. It looks to me like the clearest kind of hypocrisy. Isn't a two-faced person even more dangerous than a stupid one? Yet imagine the indignation of any one expressing that attitude at being denounced as a hypocrite!

How can anyone fail to realize that the whole complex problem of the achievement of peace depends not on ratios of disarmament but on the attitude of mind? Just as the true underlying cause of war is not actually a particular circumstance or condition or system of government but primarily the attitude of mind toward reliance on armed force, an attitude resulting from false education on many points. The problem of how to eliminate the false ideas and substitute reasonable ones appears a tremendous one, still requiring the utmost effort in spite of all that has been learned since 1918.

Brookline, Mass. LYDIA G. WENTWORTH

ANNOUNCEMENTS

For Industrial Research Workers

IN an effort to aid American research workers in the task of making intensive studies of subjects which demand wide knowledge in fields not covered with any thoroughness in colleges and universities, a number of graduate students of Harvard and Columbia Universities have formed the Industrial Research Group. The organization issues bulletins in which "an attempt is made to sketch the general significance of various neglected social problems and to define the elements in these problems to which original research may be usefully directed." Among the bulletins now available (at six cents per copy) are those on Decaying Unions, Labor in Business, Company Towns, Public Ownership and Guide to Research in Social Problems. The Group attempts to answer bibliographical and other inquiries raised in connection with social and industrial problems and will bring worth-while studies to the attention of interested social agencies, students in similar fields, or publishers. Further information may be obtained from Miss Lucy M. Kramer, Secretary, 421 Schermerhorn Annex, Columbia University, New York, N. Y.

Office Secretary Wanted

The Fellowship of Reconciliation wants a volunteer office secretary who can serve in the present crisis without a salary. The position is a responsible one, requiring professional standards of competence and reliability.

For further information apply to

Executive Secretary, The Fellowship of Reconciliation
383 Bible House, Astor Place
New York City Telephone Stuyvesant 9-0675

World Tomorrow Radio Hour

Station WEVD **Tuesday**
1300K—231M **Jan. 10—8:15 P.M.**

Speaker: William Pickens

Subject: The Negro and the Depression

Other weekly features of Station WEVD:

The Group Theater, Sunday, 8:30 P.M.
Michael Strange, Tuesday, 5:15 P.M.
Hendrik Van Loon, Friday, 8:15 P.M.
Birth Control Radio Series, Monday, 5:00 P.M.

Who's Who in This Issue

McAlister Coleman is the author of *Eugene V. Debs—A Man Unafraid* and is a frequent contributor to Socialist publications.

Francis S. Kinder is a well-known American economist.

Clair Wilcox is professor of economics at Swarthmore College.

Francis A. Henson is economic adviser to the National Labor and Religion Foundation.

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THERE must be many of your friends who want The World Tomorrow during 1933 and would appreciate your thoughtfulness in giving it to them at this time. And perhaps you would like one of the following books. By sending The World Tomorrow to five of your friends for six months at the special rate of $1.00 each you may have your choice of these books without further charge. An appropriate card will announce your gift.

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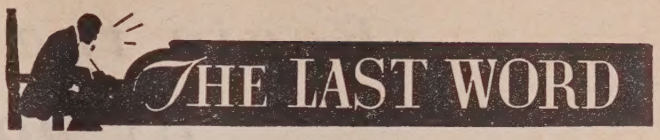

I HAVE never been anything more than an ambassador of good will, so diplomatic niceties have never troubled me. When Dolly Gann went through the zero hour in Washington several years ago, little did I appreciate the agonizing days she must have spent in wondering whether she would sit where she pleased. But a more philosophical reading of history has brought home to me as never before what tragic destinies of men and nations often hang on the incorrect flicker of an eyelash.

Consequently, when Ambassador Walter E. Edge got in a hot spot the other day, I could sympathize. The French Prime Minister had thrown confusion into the American Embassy by paying a call. A call by the Prime Minister makes a return call mandatory, according to all diplomatic precedent—and to break diplomatic precedent is a far viler crime than putting ground glass in your best friend's oatmeal. But if Mr. Edge *did* return the call, just at this juncture, how could he fail to give the impression that Uncle Sam was still negotiating over the payment of the French war debt? It was profoundly necessary to hold our position in the eyes of the world—namely, that we had washed our hands of the affair. Well, after this crisis had become the subject of numerous telephonic exchanges between subordinates and between principals, Mr. Edge solved the dilemma. He merely called—and shook hands. This handshake, it was elaborately explained to the press, didn't mean a darned thing. Once more our national security was preserved, and Mr. Edge could wipe his perspiring brow with a sense of true accomplishment.

If anyone be inclined to scoff, let him ponder history. Why, in 1623 Émeric Crucé, the learned Frenchman, published his great plan for a congress of ambassadors to represent every nation on the globe in a perpetual conference to preserve the peace. But his plan fell apart in its appeal to rulers because he could not satisfy, to save his soul, the urgent need for diplomatic delicacy when it came to precedence. Who, when the Congress assembled, should speak first? Who head the table and who come next? Who be the host? Crucé tried to work it out as follows: the Pope, the Sultan, the Holy Roman Emperor, the King of France, the King of Spain. No, there was nothing doing. Peace might be all right in its way, but when it came to international conferences, every ruler in the world was a regular Dolly Gann.

EVEN before, in 1600, King Henry IV of France, under the inspiration of the Duke of Sully—who was the real brains of the party—proposed a republic of European states. There was a joker in it, since peace was to be secured only after they had all got together and cleaned up on the Turks forever. But Sully had his troubles, too, over the order of precedence. It wasn't any joke to satisfy the Emperor, the Holy Father, and at the same time those small states which had nothing left them, alas, but their pride. So often, as Goldsmith once said, do these little things seem great to little men.

Down in the hinterland of the Riviera, unvisited, with mail collected every Monday, is a little town named Ramatuelle. More than 300 years ago Sully visited this hamlet and with his own hands set out an elm in the main (and only) square. The elm is there today, gnarled, lopsided, picturesque. Eccentricus wanted to take a picture of it and make inquiries. But he couldn't. The taxi driver who was grandiosely disgusted with us anyway because "nobody ever goes to Ramatuelle," got involved with a family in a horse-drawn peasant cart. They had the lane which was the sole means of egress, and our driver seemed to want it. He won, and my dreams of Sully, the elm, and Henry's Grand Design for the peace of Europe ascended to Allah in a great cloud of yellow dust. Anyhow, we were the first to get out once more on the broad highway where, if you couldn't always lead, you could always be ahead of somebody.

Eccentricus

Begin the New Year By Joining

The Fellowship of Reconciliation

Statement of Purpose

THE FELLOWSHIP OF RECONCILIATION is a group of men and women of many nations and races who recognize the unity of the world-wide human family and wish to explore the possibilities of love for discovering truth, dispelling antagonisms and reconciling people, despite all differences, in a friendly society. They believe that love, such as that seen pre-eminently in Jesus, must serve as the true guide for personal conduct under all circumstances; and they seek to demonstrate this love as the effective force for overcoming evil and transforming society into a creative fellowship.

The Fellowship of Reconciliation began in England soon after the outbreak of the World War as a movement of Christian protest against war and of faith in a better way than violence for the solution of all conflict. Most of the members have joined because of their desire to follow unswervingly the way of life exemplified by Jesus; some have received their inspiration from other religious leaders; and some have reached their faith in love and non-violence in still other ways.

ALTHOUGH members do not bind themselves to any exact form of words,

They refuse to participate in any war, or to sanction military preparations; they work to abolish war and to foster good will among nations, races and classes;

They strive to build a social order which will suffer no individual or group to be exploited for the profit or pleasure of another, and which will assure to all the means for realizing the best possibilities of life;

They advocate such ways of dealing with offenders against society as shall transform the wrongdoer rather than inflict retributive punishment;

They endeavor to show reverence for personality —in the home, in the education of children, in association with those of other classes, nationalities and races;

They seek to avoid bitterness and contention, and to maintain the spirit of self-giving love while engaged in the struggle to achieve these purposes.

IT is intended that members shall work out these purposes in their own ways. There is no uniform program of social reconstruction to which all are committed. The movement depends not upon a large number of nominal adherents, but upon those who, accepting the principles fully for themselves, will give time individually and in groups to thinking out what is implied, and will set themselves seriously to apply their conclusions. Such an endeavor inevitably brings a consciousness of insufficiency; but strength and wisdom, far beyond the limits of our present experience, are available to all who open their lives to the leading of the Spirit of God.

For maintaining and extending its work the Fellowship is dependent upon voluntary contributions. There is no membership fee, but those who contribute $2.00 or more per annum receive the ***Fellowship Leaflets*** *and other publications.*

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APPLICATION FOR MEMBERSHIP

_____ 19_____

I have read the foregoing statement. I am in agreement with the principles of the Fellowship of Reconciliation, and, desiring to join in the working out of these principles, ask to be enrolled as a Member.

Name _____
(Mr., Mrs., Miss)

Address _____

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Tear off on dotted line and mail to

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